

BILL NO. 93-41

COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 93-41

Introduced By Council President Wilson at the request of the County Executive

Legislative Day No. 93-14

Date: May 11, 1993

AN EMERGENCY ACT to authorize the execution and delivery by the County Executive on behalf of Harford County, Maryland of certain agreements, including an amendment to the existing Waste Supply Agreement between Harford County, Maryland and the Northeast Maryland Waste Disposal Authority, in connection with the proposed issuance by the Northeast Maryland Waste Disposal Authority of certain refunding bonds to be issued to refinance a portion of the costs of the resource recovery facility located at a site leased by the Northeast Maryland Waste Disposal Authority on the Aberdeen Proving Ground Military Reservation, Harford County, Maryland; and generally providing for and determining various matters in connection with the participation by Harford County, Maryland in such issuance of refunding bonds.

By the Council, May 11, 1993

Introduced, read first time, ordered posted and public hearing scheduled

on: June 8, 1993

at: 6:30 p.m., 1993

By Order: Doris Poulsen, Secretary

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Chapter, a public hearing was held on June 8, 1993, and concluded on June 8, 1993.

Doris Poulsen, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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RECITALS

1
2 WHEREAS, Northeast Maryland Waste Disposal Authority (the
3 "Authority") was created by and exists under Chapter 871 of the
4 Laws of Maryland of 1980, as amended (the "Act"), in order to
5 assist certain participating political subdivisions of the State of
6 Maryland, other public entities and the private sector of the
7 economy to provide adequate solid waste disposal facilities;

8 WHEREAS, the Authority and Harford County, Maryland (the
9 "County") determined that there was a need for a resource recovery
10 facility (the "Facility") in Harford County designed to process not
11 less than 81,045 tons per year of solid waste;

12 WHEREAS, pursuant to Bill No. 85-50 enacted by the County
13 Council of Harford County, Maryland (the "County Council") on
14 October 24, 1985 and effective on December 24, 1985, the County
15 entered into a long-term, solid waste disposal agreement with the
16 Authority dated as of April 15, 1986 (the "Waste Supply Contract")
17 pursuant to which the County is required to deliver specified
18 quantities of solid waste to the Facility for disposal by the
19 Authority or its designee;

20 WHEREAS, the Waste Supply Contract provides that one of the
21 components in the formula utilized in calculating the tipping fee
22 paid by the County to the Authority for disposal of waste delivered
23 by the County to the Facility is the debt service on bonds issued
24 by the Authority to finance the Facility;

25 WHEREAS, the Authority issued its \$26,700,000 Adjustable/Fixed
26 Rate Resource Recovery Revenue Bonds (Harford County Resource
27 Recovery Facility) Series 1985 (the "Series 1985 Bonds") to finance
28 a portion of the costs of the Facility;

1 WHEREAS, the Authority converted the interest rate on the
2 Series 1985 Bonds to fixed interest rates in a secondary offering
3 on July 1, 1986;

4 WHEREAS, the Series 1985 Bonds are subject to redemption prior
5 to maturity on January 1, 1995 at a redemption price equal to 102½%
6 of the principal amount of Series 1985 Bonds to be redeemed,
7 together with interest accrued thereon, if any, to the redemption
8 date;

9 WHEREAS, at the present time, interest rates generally are at
10 historically low levels;

11 WHEREAS, the County has been presented with a proposal for the
12 Authority to issue its refunding bonds (the "Refunding Bonds") to
13 redeem on January 1, 1995 the outstanding Series 1985 Bonds to take
14 advantage of today's low interest rates and thereby effect net
15 present value savings to the County through reduced tipping fee
16 payments under the Waste Supply Contract;

17 WHEREAS, the interest rate on the Refunding Bonds will be a
18 variable rate;

19 WHEREAS, to reduce the interest rate risk to the County of
20 such variable rate, the Authority will enter into an interest rate
21 swap agreement (the "Swap Agreement") with AIG Financial Products
22 Corp. (the "Swap Provider"), pursuant to which the Authority will
23 make a fixed interest rate payment or such other form of payment
24 provided for in the Swap Agreement to the Swap Provider and the
25 Swap Provider will pay the variable interest rate on the Refunding
26 Bonds;

27 WHEREAS, the Waste Supply Contract must be amended to include
28 the fixed interest rate payment or such other payment under the

1 Swap Agreement as a component of the County's tipping fee payable
2 to the Authority, a portion of which fixed interest rate payment or
3 such other payment may be payable directly to the bond trustee for
4 the Refunding Bonds or the Swap Provider; and

5 WHEREAS, the Swap Agreement will provide for a termination
6 payment in the event the Refunding Bonds are not issued as provided
7 in the Swap Agreement, which termination payment will be owed by
8 the County to the Swap Provider generally if interest rates are
9 lower at that time than they are currently.

10 NOW, THEREFORE,

11 Section 1. Be It Enacted By The County Council that it is
12 hereby found and determined that it is in the public interest of
13 the County that the Authority issue the Refunding Bonds to
14 refinance a portion of the costs of the Facility and that the
15 County take such action as is necessary or appropriate in
16 connection with the issuance and sale of the Refunding Bonds.

17 Section 2. And Be It Further Enacted By The County Council
18 that the County Executive be, and she and such other County
19 officials as she may require are hereby authorized to execute,
20 acknowledge, seal and deliver on behalf of the County, (a) an
21 amendment to the Waste Supply Contract to include the fixed
22 interest rate payment or other payment under the Swap Agreement as
23 a component of the tipping fee, a portion of which payment may be
24 made directly to the bond trustee for the Refunding Bonds or to the
25 Swap Provider, (b) an agreement between the County and the Swap
26 Provider to make the termination payment to the Swap Provider, and
27 (c) such other documentation as the County Executive shall
28 determine to be necessary to effect the refinancing of the Facility

1 in accordance with the provisions hereof.

2 Section 3. And Be It Further Enacted By The County Council
3 that the provisions of this Emergency Act are severable, and if any
4 provision, sentence, clause, section or part hereof is held
5 illegal, invalid or unconstitutional or inapplicable to any person
6 or circumstances, such illegality, invalidity or
7 unconstitutionality, or inapplicability shall not affect or impair
8 any of the remaining provisions, sentences, clauses, sections or
9 parts of this Emergency Act or their application to other persons
10 or circumstances. It is hereby declared to be the legislative
11 intent that this Emergency Act would have been passed if such
12 illegal, invalid or unconstitutional provision, sentence, clause,
13 section or part had not been included herein, as if the person or
14 circumstances to which this Emergency Act or any part hereof are
15 inapplicable had been specifically exempted therefrom.

16 Section 4. And Be It Further Enacted By The County Council
17 that this Emergency Act is hereby declared to be an emergency act
18 necessary to take advantage of current financial market conditions
19 and shall take effect on the date it becomes law.

20
21 EFFECTIVE: June 24 , 1993

22 The Secretary of the Council does hereby
23 certify that fifteen (15) copies of this
24 Bill are immediately available for
distribution to the public and the press.

25 Doris Paulsen , Secretary

26 A:HR032302.ORD
27
28

HARFORD COUNTY BILL NO. 93-41(Brief Title) Northeast Maryland Waste Disposal Agreements

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

ENROLLED

Acting

James D. Varmey
Secretary of the Council

James D. Varmey
President of the Council

Date June 15, 1993

Date June 15, 1993

BY THE COUNCIL

Read the third time.

Passed: LSD 93-19 (June 15, 1993)

Failed of Passage: _____

By Order

James D. Varmey, Acting Secretary

Sealed with the County Seal and presented to the County Executive for approval this 16th day of June, 1993 at 3:00 p. m.

James D. Varmey, Acting Secretary

BY THE EXECUTIVE

Gilbert M. Redmann
COUNTY EXECUTIVE

APPROVED: Date June 24, 1993

BY THE COUNCIL

This Bill (No. 93-41), having been approved by the Executive and returned to the Council, becomes law on June 24, 1993.

James D. Varmey
Acting Secretary

EFFECTIVE DATE: June 24, 1993